UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
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UNITED STATES OF AMERICA,

v. 15 Cr. 643 (PKC)

JASON GALANIS,

Defendant.

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May 17, 2016
3:20 p.m.

Before:

HON. P. KEVIN CASTEL

District Judge

APPEARANCES

PREET BHARARA
United States Attorney for the
Southern District of New York
BY: BRIAN R. BLAIS
REBECCA MERMELSTEIN
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MURPHY PEARSON BRADLEY & FEENEY
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BY: THOMAS P. MAZZUCCO
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THOMPSON & KNIGHT LLP
Attorneys for Defendant
BY: MARION BACHRACH

Also present: SHANNON BIENIEK, FBI
RENA BOLIN, Pretrial
TIFFANY FRANCIS, Pretrial

(Case called)

THE DEPUTY CLERK: For the government.

MR. BLAIS: Good afternoon, your Honor. Brian Blais, Rebecca Mermelstein and Aimee Hector for the government.

Also with us at counsel table is Special Agent Shannon Bieniek from the FBI and Rena Bolin and Tiffany Francis from Pretrial Services.

THE COURT: Good afternoon to you all.

For the defendant.

MR. MAZZUCCO: Good afternoon, your Honor. Thomas Mazzucco on behalf of Mr. Jason Galanis.

MR. McCLELLAN: Aaron McClellan on behalf of Jason Galanis.

MS. BACHRACH: Good afternoon, your Honor. I am a newcomer here and I seek permission, your Honor, to appear on a limited appearance for bail purposes. I am Marion Bachrach, and I have been a member of this bar for longer than I care to admit at this point.

THE COURT: Mr. Galanis, is that satisfactory to you?

THE DEFENDANT: Yes, your Honor.

THE COURT: Government have any objection?

MR. BLAIS: No, your Honor.

THE COURT: That's absolutely fine.

Let me hear from the government.

MR. BLAIS: Thank you, your Honor.

Your Honor, I will start with just a very brief factual background to situate us. I will then briefly remind the Court of the applicable legal standard. And then we will offer our arguments regarding the revocation that we seek.

Your Honor, Jason Galanis was arrested on September 24, 2015 in connection with the indictment that is pending before your Honor. He was arrested here in New York and was presented before a magistrate judge on the day of his arrest, September 24. There was an agreed upon bail package that had been reached by the parties that was entered by Magistrate Ellis on the day of arrest.

And just to briefly summarize the terms for your Honor, it was a $10 million recognizance bond, secured by four financially responsible parties, secured by a specific piece of property that had approximately $3 million in equity, the surrender of the defendant's passport and a condition that he make no new applications, travel restricted to the Southern and Eastern Districts of New York, as well as the Central and Northern Districts of California, regular pretrial supervision. And there was an additional condition that the defendant disclose the names of any entities for which he was serving as an officer, director, consultant, adviser, or investment banker. That's relevant to something that I will be touching on later in my argument.

THE COURT: That was reflected in an order of Judge

Ellis?

MR. BLAIS: Correct.

As we noted in our correspondence to the Court last week, the defendant was arrested again last Wednesday, May 11, pursuant to a complaint that was filed in this district. The defendant was arrested in the Central District of California and was presented before a magistrate judge in Los Angeles. At that time, he was released pursuant to the existing bond in the case before your Honor, and was also additionally ordered to submit to home detention and electronic monitoring, and given a date of today to report to the Southern District. And he will be presented on the complaint in magistrate's court at some time following this proceeding here today.

In our letter to the Court that was filed last week, we requested this hearing today pursuant to Section 3148(b) of Title 18. Just to remind your Honor of the terms of Section 3148(b), that section provides that a court may revoke an already existing bail if, after a hearing, it can be established that there is probable cause to believe that the defendant committed a federal, state or local offense while on pretrial release, and either that there are no conditions or combination of conditions that will ensure that the defendant will not flee and that he poses no danger to the community or to others, or that the person is unlikely to abide by any conditions that are set by the court.

We submit, your Honor, that, first, there is probable cause to believe that the defendant committed a federal offense while on pretrial release. And under Section 3148(b), if that condition is met, if the first prong of 3148(b) is met, that there is probable cause to believe an offense was committed, it gives rise to a rebuttable presumption that there are no conditions that will satisfy or that will protect the safety of the community. And we submit, in light of some evidence I am going to discuss regarding obstructive and threatening conduct engaged in by this defendant, that that presumption cannot be rebutted in this case and that, therefore, bail revocation is appropriate.

So let me start first by discussing the probable cause prong of Section 3148(b).

Our letter to the Court last week attached a copy of the complaint that charged Mr. Galanis with additional offenses. I have provided to the Court in advance of this proceeding a copy of that complaint, to the extent that that was necessary. That complaint, in a fair degree of detail, outlines a fraudulent scheme involving the issuance of bonds by a tribal entity. And it alleges that Mr. Galanis, as well as various codefendants, did a number of illegal things, one of which was misappropriating a substantial portion of the proceeds of that bond issuance. And I think we detail in the complaint the use of proceeds for a significant portion of what was misappropriated, including payments that were used for Mr. Galanis's home, payments that were used to pay for automobile expenses, travel expenses, food and restaurant bills, things of that nature. And I think we allege in the complaint --

THE COURT: Eight-and-a-half million dollars.

MR. BLAIS: Eight-and-a-half million dollars was misappropriated by this particular defendant.

The complaint also alleges in connection with that scheme that certain asset management firms that were controlled by or at least affiliated with Mr. Galanis, that these tribal bonds, for which there was no ready secondary market, they were essentially illiquid, that those bonds were placed with clients of those asset management firms against their will and without prior notice, and to date none of those clients have been able to dispose of these fairly illiquid bonds which now, according to the complaint, some of which are in default because the interest money that was supposed to be coming from annuities, at least for the most recent series of bonds, has not been paid.

But, specifically, as it relates to probable cause to believe that an offense was committed while on pretrial release, there are specific allegations, and they are in the very last paragraph of the complaint, paragraph 63. It appears on page 44 and 45 of the complaint, and that paragraph alleges that, in furtherance of this scheme, on or about February 17, 2016 -- so that is at a time when the defendant was on pretrial release from this matter -- that he sent a letter to representatives of the tribe that we alleged in the complaint contain a series of misrepresentations.

We have provided to the Court a copy of that letter. It's a five-page letter. It is on the letterhead of an entity called Thorsdale Fiduciary and Guaranty, which is an entity controlled by the defendant. It is, in fact, signed by the defendant.

We alleged in the complaint that there are a number of misrepresentations made to the tribal entity that issued the bonds in connection with essentially how their money had been used. Paragraph 63 alleges, for example, that in the letter from Mr. Galanis to the tribe he says, for example, "The SEC has declared the bonds dubious, in part because they have jumped to the conclusion, based on the most superficial incomplete information, that Thorsdale has diverted money for its own benefit. This is without a doubt a false assumption."

We set forth in significant detail in the complaint, how, as your Honor noted, 8.75 million was in fact diverted through Thorsdale and used by Mr. Galanis for personal purposes. So we certainly believe there is probable cause to believe that that statement, sent during the time of Mr. Galanis's pretrial release, was in furtherance of and evidence of a crime committed by Mr. Galanis during that period of pretrial release.

To point to another statement in the letter that I think is a bald misrepresentation, there is a statement in there that WLCC, that's the bond issuer, the tribal entity, bond interest -- and this is on page 1 of the document -- bond interest of over 2.72 million was already repaid by these distributions, and that's referring to annuity distributions, precisely as contemplated in the indenture and related agreements.

In fact, we allege in other portions of the complaint that the interest on the bonds was paid, in large measure not by distributions from any annuity, but by transfers from a codefendant, Devon Archer, and largely by sales of an IPO that the proceeds of the tribal bond were in fact invested in. And that's certainly not the process that was described in the indentures as to how the proceeds of the tribal bonds would be invested.

So we believe, in large measure, based on false representations made in this letter, that there is certainly probable cause, a very low standard, to believe that Mr. Galanis committed securities fraud and other frauds during the pendency of his pretrial release, and we believe, as a result, that that gives rise to the rebuttal presumption that there are no conditions that satisfy and protect the safety of the community. And we think that that presumption cannot be overcome in this circumstance, given evidence of what I mentioned before of other obstructive and threatening conduct that occurred, in large measure, during the period of pretrial release.

In connection with that, we did provide to the Court, at the start of this proceeding, a document that's titled, "Selected text messages sent to and from Jason Galanis's cell phone." These are text messages that were entirely with a particular individual and that the government received, or the SEC received pursuant to a subpoena that was issued to that individual, that was then provided to the criminal authorities pursuant to a standard access grant.

Looking through these text messages, and I won't read them all but I will read some of them for completeness of the record, it is clear that there are threatening and obstructive comments directed at this individual, who is a potential witness in the upcoming trial, and I think the text messages also make clear that Mr. Galanis recognized that he was a potential witness in the upcoming proceeding.

THE COURT: You're talking about the proceeding before me?

MR. BLAIS: Correct, your Honor. The upcoming trial that's scheduled for September.

Starting with the first block of e-mails, and I made reference to the numbers in the first column, which are I think a unique identifier for each text message.

The very first one, 7490 -- and again, this message was sent before Mr. Galanis was arrested on the matter here. He was not on pretrial release when this message was sent. But asked that individual: "Dude, have you heard from the commission?" We believe referencing the Securities and Exchange Commission.

And then just four messages later saying, "I knew you had contact, by the way," suggesting that he is somehow aware that this witness is speaking to government authorities.

Then jumping to the next block -- and the remainder of the messages here were all sent following Mr. Galanis's arrest. So all were sent during his period of pretrial release.

So 6905, just mere hours after he was presented in magistrate's court here, sends a message to this individual: "Got arrested today."

Looking down just a few messages after that, 6900: "Pretty sure you knew." Again, suggesting that Mr. Galanis believes or understands that this witness may have had some contact with government authorities.

Then flipping to page 2, starting down towards the bottom, 6884 through 6880: "Tell Ron I said hello."

Then the witness responds: "Fleming?"

"Yes and your other lawyers."

So Mr. Galanis is telling the witness to say hello to his lawyers.

Then flipping to page 3 -- again, a series of messages that were sent in November -- pointing to 6512: "By the way, you were the second largest document production too." As though the size of one's document production is a measure of loyalty as opposed to the responsiveness of the documents.

Again, all of these messages suggest that Mr. Galanis is aware that this individual is providing documents to the government, had spoken to the government, and is sort of teeing up the most troublesome series of messages, which are those that come on January 10, again, well into this defendant's period of pretrial release.

And many of these, it's a series of vulgarities, which I won't belabor by reading them all into the record, but certainly look at 4738, where Mr. Galanis addresses this witness as a government fag.

Later, in 4730, he calls him a low dirty mother F'er.

Then a series of what we construe as threatening messages.

Starting at 4735: "I will pay you back for being awful and disloyal to her." I think he is referencing his wife in this particular instance.

4723: "Long, long life."

4722: "I will expose you."

4720: "Mess with my wife and I'll teach you a lesson, little guy."

4719: "Sleep tight and be worried."

4718: "Scams will be exposed."

Your Honor, these are, at the very least, troublesome messages to be sent to a potential government witness by an individual who is on pretrial release.

I would like to jump to another example of what we believe is obstructive conduct. I referenced earlier the bail condition that the defendant disclose his entities for which he serves as an adviser, an investment banker, consultant. And he did disclose to his pretrial services officer in Los Angeles that he was affiliated with Thorsdale, which, as you know, is the entity from which the letter to the tribe was issued.

But we have spoken to a witness who has provided us information that, after his arrest in the matter that is pending before your Honor, Mr. Galanis instructed that individual to establish e-mail accounts using a domain name for colarisventures.com. Mr. Galanis never disclosed to his pretrial services officer any affiliation that he had with colarisventures.com. In fact, he instructed that individual to construct an e-mail for Mr. Galanis that was used by Mr. Galanis with the e-mail address legal@colarisventures.com. And Mr. Galanis is not a lawyer. So the obvious purpose for using legal@colarisventures.com is to evade law enforcement efforts to find out what it is that Mr. Galanis was doing.

In fact, Mr. Galanis then used that e-mail, the legal@colarisventures.com, in furtherance of the scheme that is charged in the complaint. And we provided to your Honor, at the start of this proceeding, just two very short e-mails that show how this legal@colarisventures e-mail account was used.

The document that's labeled in the lower right-hand corner WAPC, ending with 96, it starts with an e-mail from an individual named Raycen Raines. He is a representative of the tribal entity. And they are making a formal request to Hugh Dunkerley, who is the representative of the purported annuity provider under the indentures.

Mr. Dunkerley then forwards that message to legal@colarisventures and says: "Do you want to compose a reply to these folks? All the best, H."

THE COURT: Let me ask you, how do you establish that this was in fact a disclosable entity rather than simply an e-mail address used to conceal communications? Is there such a thing as Colaris Ventures? Did they do any business? Or are they just a name that was utilized for the purpose of concealing communications?

MR. BLAIS: I think it was largely a name that was utilized. We don't understand it to be an entity that has any actual business operations.

THE COURT: Do I have Judge Ellis's order some somewhere before me?

MR. BLAIS: I can read the relevant language.

THE COURT: Sure.

MR. BLAIS: Which is he needed to disclose entities for which he was serving as an officer, director, consultant, adviser or investment banker.

THE COURT: What do you contend he was doing for Colaris Ventures, and was it even an entity?

MR. BLAIS: We are not aware of any actual operations by Colaris Ventures. I don't know that we are contending that there was or certainly relying on a violation of that particular bail condition.

THE COURT: That's what I wanted to know. So you're not arguing that as to Colaris Ventures?

MR. BLAIS: I think that's right. We are not suggesting that there is a specific bail violation. What we are arguing is that, in terms of the defendant rebutting the presumption that there are no conditions that will ensure the safety of the community, I think the threatening text messages that we have just outlined, as well as the continued concealment conduct, are relevant to the Court's analysis as to whether that presumption can be overcome.

Just to finish very quickly on this e-mail, the e-mail is sent to legal@colarisventures. And the e-mail comes back saying: "I would just indicate a response is forthcoming but being reviewed by compliance."

Page 2 shows that that is exactly the message that Mr. Dunkerley conveyed back to the tribe almost word for word. "Dear Raycen: A formal response is coming and is just being reviewed for compliance purposes."

So this e-mail was being used during the pendency of the pretrial release, masked with the word "legal," and was used to continue the crime that was continuing during the pretrial release. So this e-mail I think also speaks to the probable cause issue that we have outlined.

To put it back in terms of danger to the community and the risk of flight, we do think and do believe that this evidence shows that Jason Galanis is an ongoing danger to the financial well-being of the community. And that in light of the evidence that we have presented, that bail revocation is appropriate, that the presumption that the community cannot be protected cannot be overcome in this circumstance, and that as a result revocation is appropriate here.

Thank you, your Honor.

THE COURT: Let me hear from defendant's counsel.

MS. BACHRACH: Thank you, your Honor, for allowing me to address the Court today, and with the Court's permission, I will do just that.

I would start off, your Honor, by noting that this is not an indictment, it's a complaint, a lengthy one, 45 pages. And when Mr. Blais mentions that there has been probable cause found regarding an offense, I am going to leave to one side for a minute, your Honor, any issues about the, quote, offense or, quote, new offense itself. And I would like to go directly to the issue of dates, if I can. Because Mr. Blais, I actually agree with him that the operative date here for all of us to keep in mind is September 24, 2015 when bail conditions were imposed.

Obviously, the reason I say that is because of the statute that Assistant U.S. Attorney Blais cited to the Court 3148, because the issue is not so much whether there was some offense here and whether there is probable cause regarding the offense. Again, I will leave that to the side because I am certainly not acknowledging in any way, shape or form that there was.

What I want to point out, your Honor, is that when a magistrate signs an arrest warrant, and in this case it was in this district, the magistrate was not opining on probable cause on the date or realm of dates or span or duration of the dates.

So with that in mind, let me mention preliminarily a few things, and then move on to the operative dates. So I hope the Court will forgive me if I interrupt myself.

One of the first things I would like to mention, or would like to emphasize, is that Mr. Blais pointed out that Mr. Galanis was brought before a magistrate in the Central District of California. He was released with the additional condition of a bracelet, which was to be taken off so he can board the plane to come here, which is exactly what happened, your Honor. And it would be very difficult to see a risk of flight here for the obvious reason that Mr. Galanis has not only appeared before your Honor, but did so today again. And I would like to point out that he did so knowing that the government was going to seek to revoke his bail by appealing to the Court on that very point.

I would also like to point out, your Honor, that there has been a pretrial report, which I am sure was given to the Court before us. Pretrial services, of course, has been monitoring Jason Galanis, and I will get to disclosures because he certainly has disclosed -- and we have some exhibits for the Court -- his connections in terms of employment and being an officer in connection with Judge Ellis's order.

The recommendation of pretrial services is that, it says, "To reasonably assure the appearance of the defendant as required and the safety of the community, pretrial services respectfully recommends that the defendant be released on the same conditions as ordered by the Central District of California." And it adds a few suggested additional conditions about supervision and curfew enforced by monitoring.

I would like to point out, and I am going to circle back to it later, your Honor, that we understand that the Court may feel that there are additional conditions that it may want to impose, for no other reason that there is an additional severity that is now facing Mr. Galanis.

THE COURT: Because isn't it a non sequitur?

If there is probable cause to believe that he has engaged in the conduct outlined in the criminal complaint, including as recently as February 17, 2016, it is a non sequitur, it seems to me, to suggest that the solution to this is electronic monitoring or a curfew. Conduct of that nature can be conducted anywhere, correct?

MS. BACHRACH: I follow the Court's point so let me make two answers to that. First is I am going to address the February 17, 2016 letter. But first let me address the Court's question about a combination of conditions.

I would well understand, your Honor, if what the Court wanted to do was set additional conditions, not necessarily only relating to curfew as suggested by pretrial services. There could be other conditions. The Court might have a condition, for example, and I know this would be a severe one, but I say this with the benefit of having thought about it and discussed it, even if there were a condition of Mr. Galanis not engaging in business, but doing his personal business. There are conditions that I think we can profitably discuss.

And I think it worthwhile to tell the Court, with that in mind, I did pay a visit to the government yesterday at St. Andrew's Plaza to try and discuss whether there were a combination of conditions so that we can reach agreement short of detention. I thought it would be helpful for the Court and helpful for the progress of this case. In their view, they turned me down and they said no. I would suggest to the Court that this could very profitably be discussed if the Court felt it were problematic.

But I would like to turn, if the Court would let me, to February 17, 2016.

THE COURT: Before you do that, one of the things I would like you to address wasn't raised by the government and it is not new matter, but it is certainly something that is part of the totality of circumstances.

The grand jury indicted Mr. Galanis for the crimes charged in the pending indictment, and looking at the timeline in the pending indictment, that conduct included acts in furtherance done while Mr. Galanis was on a term of probation imposed by Judge Real in the Central District of California.

Am I correct about that?

MS. BACHRACH: I believe you are, your Honor.

THE COURT: I kind of cut you off. Let me go on to the point that you wanted to raise.

MS. BACHRACH: I'd rather answer your question first and then go on to the point. I think it's only fair.

My understanding, and I think counsel from California can correct me if I am wrong, because I certainly have come very lately to this case, and I don't want to misstate anything, but my understanding is that this was something that the court in the Central District of California was aware of, both pretrial services and the court himself. And my understanding is they didn't consider it violative of his probationary term. And for more color on that, and to understand the reasoning, I would have to ask California counsel to address your Honor's question.

If the Court wants me to do that now I will, but otherwise I will go on to February 17.

THE COURT: I think the point that has been made is that conduct charged in the pending indictment took place, or it's charged that it took place while the defendant was on probation from a prior conviction in the Central District of California. That's the only point as far as I am concerned. If you have anything to refute that proposition, I'm all ears. But I gather that that was taken into account by the magistrate judge. And, of course, that magistrate judge was not dealing with 3148(b), the revocation.

MS. BACHRACH: I assume, your Honor, it could have been, and I don't know if it was the magistrate judge or Judge Real. So, again, I would have to have somebody else address that, but I think this was something that was taken into account, I assume it had to have been taken into account by everyone, whether it was Magistrate Judge Ellis, whether it was the court in the Central District of California. And I would note to the Court that Mr. Galanis has been no risk of flight, has attended everything, has been very dutiful in his monitoring with pretrial services.

And I would submit, your Honor, and I think we get to the heart of the issue, so I think it is time to circle back, I think that the February 17, 2016 letter is neither material nor relevant, and certainly not the basis for a 3148 bail revocation.

So let me address why I say that and I say it so strongly. I have to say I don't know, the complaint being very long, that I am entirely clear on what the scheme is, but I do know this much because I have tried to go through it very carefully. It contains pages and pages and pages about what went on in 2014 and in 2015, prior to September 24. And that's actually very important and very relevant, and I will say why.

Because there were several bonds issued by this tribal entity. I gather it was an economic development corporation of one of our Native American tribes. And the issuance of the several sets of bonds, I think in the complaint they mention four, but it's either three or four, so these several sets of bonds were all issued prior to Mr. Galanis being arraigned before this court, well prior to September 24, 2015. They were not only issued, they were each fully purchased and sold prior to Mr. Galanis being arraigned before this Court on September

24, 2015.

THE COURT: What about the alleged misappropriation of eight and a half million dollars of proceeds? When did that happen?

MS. BACHRACH: I didn't mean to interrupt, your Honor.

That, too, your Honor, is certainly not set forth as being something that happened post his arraignment, and let me explain why.

There are only three dates given for Jason Galanis, in terms of his acts and his e-mail correspondence and the like, in this complaint that are after September 24, 2015, and I will take the Court through them.

The very first, your Honor, is a typo. It's on page 34. It's paragraph 51. In the middle -- let me turn to it -- it reflects that the agent looked at a series of --

THE COURT: Bank records. Paragraph 51.

MS. BACHRACH: Yes. Right. It reflects that the agent looked at bank records, and says that she learned between September 23, 2014 and April 15, 2015. And if the Court drops down eight and nine lines, it says there was a negative balance as on April 15, 2016. And since the review was only through April 15, 2015, I would submit that that's pretty likely a typographical error.

So I am going to go on to the second reference of Mr. Galanis after September 24, 2015. And that's going to be on page 44, your Honor, at paragraph 62.

There, your Honor, there was a review of bank records between August 27, 2014 and bank records that pretty naturally go to the end of a month, meaning October 30, 2015, it would be about a month after Mr. Galanis's release. And this paragraph details amounts that went into the Thorsdale account. And I think it's very clear from reading this complaint that there is a lot of money that goes into the Thorsdale account; some of it is relating to the bonds, which they detail, but not all of it is relating to the bonds. But there is no allegation here about any money being deposited or withdrawn by Mr. Galanis post September 24, 2015, and certainly nothing showing any money that can be traced to the bonds, with tracing principles that we are all aware from *Banco Cafetero* and other federal cases. In short, it shows no activity that's violative of bail. And I realize it wasn't mentioned by Mr. Blais, but I thought it only fair to point out to the Court the various places where I have been seeing dates that would be after the arraignment date.

So now we get to paragraph 63, which Mr. Blais did mention, obviously. What I need to point out to the Court here is that this complaint alleges a scheme, and this alleged scheme was complete long before February 17, 2016. Frankly, it was complete before Mr. Galanis was arraigned before this Court on the key date of September 24, 2015.

THE COURT: To be precise here, the complaint charges a conspiracy, and that conspiracy may extend well beyond a period in which a particular transaction contemplated by the conspiracy concluded.

MS. BACHRACH: Absolutely.

THE COURT: Go ahead.

MS. BACHRACH: Of course, your Honor is entirely correct. But it has to still be in furtherance of this conspiracy, or in furtherance of the scheme. So let me change the word scheme to conspiracy, because the complaint does allege two conspiracies.

The "in furtherance of" is key. And if everything was completed -- the issuance, the purchase of sale -- it's not only that the scheme was completed, your Honor, this is a letter that's, frankly, a bit of a tirade against the SEC, and it's really very hard to see, and there is no allegation whatsoever in this 45-page complaint of how this letter is in furtherance of the conspiracy or of the scheme.

THE COURT: Posit this. That the object of the conspiracy, securities fraud, is to cause a security to be issued and misappropriate the proceeds of that security for the personal benefit of the co-conspirators.

Now, for that conspiracy to succeed, there needs an ongoing effort to make sure that there are not red flags, that there is not an alert to law enforcement, that there are not lawsuits filed by individuals. One must keep up the pretense that everything is as it should be.

With that in mind, the statement is as follows: "The SEC has declared the bonds dubious, in part because they have jumped to the conclusion, based on the most superficial incomplete information, that Thorsdale has diverted money for its own benefit. This is without doubt a false assumption."

Isn't that a statement during and in furtherance of a conspiracy, which includes as its object the defendants getting to keep the money that was misappropriated?

MS. BACHRACH: I would submit, no, your Honor. With respect to all those difficult cases of *Krulewitch* and *Pinkerton*, and all of those cases which are very difficult, I don't think that's a basis for bail revocation, but let me answer your question more directly, your Honor.

The defendant was railing against the SEC in a matter that was already public, where the SEC, I believe, had already sued -- I am being told yes. So if the Court's point that he didn't want red flags and didn't want things out in the open, they were. This is his rebuttal.

THE COURT: Isn't this a letter to a woman in Pine Ridge South Dakota, the thrust of which is don't believe what you hear from the SEC, believe what I am telling you now about misappropriation of funds.

MS. BACHRACH: I think that your Honor rephrased it in a way that is absolutely fair, but I don't think that that's an offense, and I don't think that makes it a continuing offense that deserves a presumption that he should be detained. If the Court feels that there shouldn't be this kind of correspondence, or deems it interference, I can think of conditions that this Court could impose far short of detention, and I understand the Court's view if it feels concerned.

But we are talking about a very drastic measure, and we are talking about something where really, your Honor, all the conduct that was relevant, material and necessary to the scheme. And I am not ignoring your point about a conspiracy, your Honor. I am just saying what is relevant and necessary to the scheme was done long before. And in terms of beware of law enforcement, the defendant had already been arrested so that was already extremely public, another issue I am going to get to when we get to the government's text messages. So it's not like the members of the tribe and the economic council didn't know that he has been under investigation and arrested in the very indictment that's before your Honor.

So that was out as well. And there was an SEC complaint, I gather, that had been filed about this very issue now before this Court, this new matter. So we are not talking about somebody who is keeping anything hidden. He is disagreeing, your Honor. And it's troublesome, frankly, to think that for disagreeing, however -- I hope my client will forgive me putting it this way -- inartfully he might have put it, but it's troublesome that for disagreeing, this somehow becomes an offense in and of itself during a period of pretrial release. He has really complied with all of the restrictions that have been put on him. He certainly is no flight risk, and I do not see that this particular letter makes the crime one, if there was one.

Let me also say something, because the Court has mentioned misappropriations and duly noted the amount of $8.7 million.

THE COURT: Is it charged as 8.7 or 8.5 because I did see the number 8.5 at one point, but I heard Mr. Blais mention 8.7. I don't know that it's material, but, Mr. Blais, which is it?

MR. BLAIS: I think based on paragraph 62, that the number is 8.75.

THE COURT: Thank you. I stand corrected.

Go ahead.

MS. BACHRACH: I think we both do because I had it wrong too.

So in terms of the alleged misappropriation, I would like to point out something, because it's not usually something I do, there is no point, in quarreling with a finding of probable cause, and that's not my aim to do that before the Court, but I would like to point out something in line with not only the presumption of innocence, but the fact that this is a very preliminary stage and a very low standard to get to this presumption issue. So I would like to point out something with respect to the misappropriation allegation, your Honor.

There apparently was a very large document production that was made by counsel in California on behalf of Mr. Galanis just last week. I think it crisscrossed with the arrest. Obviously, they didn't know he was going to be arrested, but in any event, it was a document production that was made in connection, if my understanding is right, with a grand jury subpoena calling for certain documents. And a lot of those documents, your Honor, are very relevant to the issue of the $8.7 million so let me give it in broad brushstrokes.

Number one, there seems to have been a sale of securities in a life insurance company, securities in it that were of a life insurance company, from Thorsdale to the annuity provider. I think that's the WAPCC. So that was a major chunk of this $8.75 million. There were also fees, is my understanding, and that apparently there are documents. I don't have all of these documents, your Honor, because they were just produced and I just came on. I am not sure the government has had a chance to look at any of these yet because of the arrest and the crisscross. But there have been documents produced to show that Thorsdale was entitled to fees, and apparently those fees make up most, if not all of the difference between the sale of the securities and the rest.

So we are not talking about a person who is putting his hand into a till, the money that belongs to other people. We are talking about a situation where, it's my understanding, your Honor, and, as I said, I haven't been able this quickly to look at the documents, but it's my understanding that there are documents showing that Thorsdale was entitled to money for the sale of securities, and that Thorsdale was entitled to fees.

So the reason I mention this, your Honor, is, again, not to say, oh, a magistrate didn't find probable cause. But if we are looking at this, and if the Court is concerned about these allegations and thinking, do I have to step in here and do something for the safety of the community, and I understand the Court's role and its position, I would like to say to the Court the following. It does not appear to have happened during the period of time that he was on release. There is no allegation in this 45-page complaint that this happened during the period of release. And that February letter doesn't cut it.

I don't know if the Court has questions or I should go on to the documents that I just saw for the first time when I sat down before the Court came in.

THE COURT: You should tailor your presentation to the matters that you feel important to raise with me. This is your opportunity to respond.

MS. BACHRACH: May I interrupt for one second?

THE COURT: Absolutely.

MS. BACHRACH: I will get to that in a minute.

Let me address these text messages. I would note, your Honor, that when I did get to speak with the government, they did warn me that there would be some new evidence, and they would not give me these documents. It's their prerogative. I don't know why, but I am now seeing them for the first time in the last whenever, half hour, 40 minutes.

Let me first deal with the cell phone. I find this a little difficult to read because I can't really always tell who is talking, but I gather that what the government is saying is that these texts, and I hope they will correct me if I am wrong on this, I am gathering that they are saying that all of these texts are only from Mr. Galanis. There is no reply from the other person, or is there a reply? I don't know.

THE COURT: Mr. Blais, do you want to state on the record what the column "direction" signifies?

MR. BLAIS: I think I can clarify the issue. You can see there are two columns. At the top there is one called "from" and there is one called "to." The 9575 number is Jason Galanis's number. That number is subscribed in his name, and I don't think there is any dispute that that's his phone.

You can see where that number appears in the "from" column, and there is a message that is sent by Jason Galanis, which is the large majority. There are a couple of responses, and in that case, the 9575 number appears in the "to" column.

As well, there is also in the column called "direction," which is the second column, if it says "incoming," that is incoming to the witness that provided these texts. So that means it was outgoing by Mr. Galanis. If it says "outgoing," it was outgoing to Jason Galanis, and thus incoming to him. I hope that clarifies.

THE COURT: Just so I understand, you provided what I will call incoming to Mr. Galanis in the threads of conversations that you have here?

MR. BLAIS: Yes. Correct. We didn't leave any relevant texts in these blocks of conversation out.

THE COURT: Thank you.

MR. BLAIS: There weren't many responses, but when there were responses, they are included.

THE COURT: Thank you.

MS. BACHRACH: That's helpful. I guess if I had had a chance to look and analyze all of this, I would have figured it out, but on such quick notice I couldn't.

I would first like to address that the government says in the first block of texts, your Honor, it's 7476, all the way on the left-side column, it said, "I knew you had contact, by the way." And the government says, well, this shows he knew that this particular person was in contact with law enforcement.

I don't know who this individual really is, anything more than a name, who he is and what he does. But if I look at the previous message, it says, "Give me your lawyer's name so my counsel can get in touch." So whether there is contact with the lawyers is different than whether there is contact with law enforcement. In fact, the previous two texts are all about lawyers.

I might add that I believe at one point these two individuals seemed to have had the same lawyer at some point in time, which is one of the references further on. So I don't think this is necessarily relating to law enforcement or any knowledge that there is a witness. This is not a case where there has been a witness list, to my knowledge.

Then if we go further down, your Honor, on the same page, the number all the way on the left 6900, it says "Pretty sure you knew." And the government says, well, this relates to his having been arrested. I think that's a reasonable inference, but I don't think it's a reasonable inference that the person would have known because he was somehow in bed with law enforcement. I believe there were a lot of people that knew that Mr. Galanis had been arrested, and it was in the press as well, to my knowledge, not to mention mutual friends. And I think it's important to point it out to the Court, this person was a friend, is my understanding. I say my understanding, your Honor, with the caveat that this is what I am learning about within the last, let's say, half hour, 45 minutes.

If you go to the next page, 6884, on the left side, it says, "Tell Ron I said hell" -- and I think that's meant to say hello. And then the name Fleming. If one drops further down after the smile face it says, "Hello." He corrects himself and says "hello." Then there is a smile face and then Fleming. And I gather this was an attorney who was also -- I am learning from Mr. Blais that it was this particular person's attorney, who was also an attorney who Mr. Galanis had consulted. I don't think that the Court can draw any inference about somebody being --

THE COURT: That Mr. Galanis had insulted? Where are you getting that from?

MS. BACHRACH: Consulted. I think the insults come later, your Honor. I was talking consulting.

THE COURT: Go ahead.

MS. BACHRACH: If we go to the next page, 6512, it says, "By the way, you were the second largest document production." I don't see how anyone gets a witness from that. If there were a lot of documents relating to some transactions with him, there were; it doesn't mean anything.

Then we get to -- and I understand, if I made a Freudian slip, my bad, as my children would say, but we do get to the insulting part of this. And my understanding is this is what they used to call drunk dialing. I think they now call it drunk texting. I gather that the client was on a plane and drunk and was insulting.

Your Honor, he was also insulting to the SEC. I don't see that this is obstructive conduct. It's terrible language. That's certainly not something that is obstructive. And it's very clear that this is somebody who is upset about what he perceived as a friend being disloyal and disrespectful to Mr. Galanis's own wife. Apparently, his wife's name is Monet and that's why you see that name referenced there.

So when it says words I am not going to repeat at 4731, he calls him a lowlife, to Monet, we are not talking about art, we are talking about Mr. Galanis's wife.

Then he goes on and says, "She was your friend." It goes on further and says that this person seems to have been disloyal to her. I don't think long, long life means anything more than it's a long lifetime, what goes around comes around. We have all heard that.

THE COURT: But what comes around goes around and the upsetment, isn't it laid bare in 4738, 39 and 40? "See you in court." "Weasel." "Government fag." He is accusing the man of being a cooperator, someone who ratted him out to the government. Isn't that a fair reading of that portion of the texting? Do you want to give me a different inference for weasel?

MS. BACHRACH: Well, I think weasel could apply for a lot. But "see you in court," which is probably one that really troubles your Honor, I gather there was a fair amount of money owed between these two people, a lot of money, and there can be lawsuits. I don't think this can be inferred as threatening somebody, especially --

THE COURT: We didn't get to that part. The question is, is this saying to the recipient, you are working with the government, or, as it is put offensively here, "government fag"?

MS. BACHRACH: I don't have anything to say about that comment, your Honor. Every part of that comment is clearly insulting and upsetting to people on a lot of different levels.

THE COURT: I understand that. But the operative word in this case -- I didn't fall off the pumpkin truck, and I have seen folks in the securities industry use all different types of language, but there is an import to this language that you are working with the government. The government is the word that is the tell in this line.

MS. BACHRACH: I understand what your Honor is saying, and I would like to point out that if that phrase is the one that really comes out most resoundingly, I think it's unfortunate for the following reasons. This is obviously somebody who is (a) drunk and (b) furious at somebody for how he treated his wife. Do other things come out at the same time? Yeah. That happens. It's not attractive, but it happens. But there was nothing damaging, your Honor. There was no issue other than angry, might I say the word lousy texting, with a lot of language that shouldn't be used for a lot of reasons. I didn't mean to only concentrate on one word in the phrase that the Court had taken out. I understand that both words are problematic. But I think that the whole drunken rant is obviously far less than a fine moment, but I don't think it's deserving of putting somebody in detention.

And on the issue of detention, your Honor, I would like to make another point that I would like to call to the Court's attention, but it is one that I feel I have to make up at sidebar because I believe it would have to be sealed.

So it's a point I would like to make to the Court that I think the Court would want to take into account in weighing the government's request. So I request permission to approach if the Court would agree.

THE COURT: With whom?

MS. BACHRACH: Everyone. Just not the people in the audience.

THE COURT: What is the nature of the subject matter before I consider whether or not to grant your request?

MS. BACHRACH: Whether Mr. Galanis would have to be put in solitary confinement if he were detained.

THE COURT: Well, that's something we can talk about after I decide on what I am going to do here.

MS. BACHRACH: I appreciate that, your Honor. I wanted the Court to take it into account because there are issues of which the Court is aware that have been in sealed papers, and those issues in sealed papers might require solitary confinement.

THE COURT: First of all, these are decisions made by the Bureau of Prisons. If you would like me to make a recommendation, you don't need a sidebar. I know exactly what you're referring to. And if it gets to that, and you would like me to make a recommendation, I will make a recommendation. I know what you want to raise. It's the matter that's been referred to in sealed documents previously submitted to this Court, is that correct?

MS. BACHRACH: Yes, your Honor.

THE COURT: Then I understand that.

MS. BACHRACH: I wasn't making a request. I was saying that it was something that might have to happen. And, of course, solitary confinement is an even bigger burden than other forms of detention, and it makes dealing with, not just one huge case with enormous amounts of documents, but two huge cases with enormous amounts of documents, really not just terribly difficult, but I would say unbearably difficult. And if this Court were in any way inclined to impose detention, then we would ask for an evidentiary hearing, your Honor.

THE COURT: This is your opportunity. You can call your witnesses right now. This is your opportunity. This is the bail revocation hearing. Call whoever you would like. This is it.

MS. BACHRACH: I would have thought, because the government had the burden of proof, it would be the government who would be calling one of its witnesses.

THE COURT: They are relying on the materials that have been referenced. They have put in their case. We are on your case. You may call anyone you wish, if you wish to.

MS. BACHRACH: Then let me think about that for a moment, and let me just look if there are some other matters that I would like to bring to the Court's attention.

I think that what the Court asked with respect to the other document that the government produced today, at least to us for the first time, about Colaris Ventures, without any proof that Colaris Ventures is an entity, and to my knowledge it's not -- if it's a domain name, it's a domain name -- there is no violation of pretrial orders of Judge Ellis or anyone else.

In fact, I would hand up to the Court, if I may, two documents from Mr. Galanis to the pretrial officer, which shows that he has revealed, as required, his various positions with various entities. With the Court's permission, I will hand them up now.

THE COURT: Yes. Thank you.

MS. BACHRACH: Thank you.

THE COURT: Thank you.

It's a letter on the letterhead of Jason Galanis, dated 30 December 2015, to Michelle Ries. And the second appears to be an e-mail from Mr. Galanis, dated April 7, 2016, at 3:10:05 p.m. to the same Officer Ries.

MS. BACHRACH: I would mention one other thing with respect to the texts that we were mentioning before. Since I mentioned that there had been disputes over funds, apparently, there was a question of money having been diverted. When I say a large sum, I believe it might have been in the neighborhood, without having seen any documents, your Honor, as I am sure you understand, I believe it may have been in the vicinity of three quarters of a million dollars. So we are talking about a lot of money.

So when there is a discussion of scams and payback and the rest, it may be tempting, within the small amount of information that we have, to assume that everything is directed against a person only because of the government. But, frankly, your Honor, it really doesn't make sense here. This was somebody who had been a friend, who had mistreated, in the opinion of Mr. Galanis, Mr. Galanis's wife. There had been disputes over money. Mr. Galanis was drunk and there was never any kind of act or real threat. So while I understand the language may be troubling, I would ask the Court to please recognize that this is not a basis for bail revocation and for detention.

In that regard, I would like to point out to the Court what the Court already knows so I won't spend much time on it. But all of us know here that the Bail Reform Act, while a difficult and sometimes harsh act, the general purpose -- it's been generally acknowledged in this district, Eastern District, and all over the country -- is that the prevailing idea is to avoid pretrial detention, not to encourage it but to avoid it. And so the idea is not to put in the government's hands an old case. When I say an old case, I mean a case that really, at the heart of it, predates September 24, 2015. And by stretching it and extending it by that letter, or any other conduct, into 2016, I would urge the Court that it's unfair.

And if the Court wants to impose conditions, and I don't mean just a curfew, but I would ask the Court to take the pretrial services recommendation to heart, and the similar recommendation of the court in California, and to release Mr. Galanis, and if there are conditions that the Court feels necessary or wants the prosecutor and defense to discuss, I would ask the Court to do so.

And I would like to think for a few minutes about whether to call any witnesses. Thank you.

MR. BLAIS: May I respond briefly, your Honor?

THE COURT: Not until I hear from counsel.

MS. BACHRACH: May I consult one minute without wasting your time?

THE COURT: Of course.

(Counsel confers with defendant)

MS. BACHRACH: Thank you for being patient, your Honor. We really appreciate it.

As to people in the courtroom, there is nobody we have to call. Having been confronted for the first time today with respect to these texts, I would like to say two things.

One is I don't know when the government got this into their possession, because they did say they got it by subpoena. I would note that it looks like the person did not contact law enforcement himself or did not seem frightened, but I do note that the government did not bring this to the attention of the magistrate in California. They may end up telling us that they didn't have it then, but I would like to bring up that point.

If this Court is at all inclined to take into account the government's arguments about these, as they put it, selected text messages, and I do notice that one of them is also redacted, so I would object to its being redacted because I would want to know what it said, but if the Court is inclined to take into account at all these texts, then we would ask that that witness be produced. To my knowledge, he is not in the courtroom.

THE COURT: Anything else you wish to do? Anybody else you want to call?

MS. BACHRACH: No, your Honor. Thank you.

THE COURT: Mr. Blais, I will give you an opportunity to respond.

MR. BLAIS: Yes, your Honor, just a few minor points.

First is the defense counsel has referenced the recommendation of pretrial services for release on conditions. Obviously, pretrial didn't have the benefit of some of the evidence that we presented to the Court today, including the text messages and the e-mail and the February 17 letter. And I would note that the Central District of California, the district where Mr. Galanis is monitored, and where there is a relationship with pretrial, with respect to his arrest last week, did recommend detention. And that report is included as part of the pretrial package that is before your Honor.

We could not disagree more with the notion that this offense was somehow completed at the conclusion of the bond issuances, and that as a result, the February 17, 2016 letter was, to quote, neither material nor relevant to your Honor's consideration.

I think it's important to recognize that the securities that are the subject of the alleged securities fraud are bonds, and they are ongoing obligations with respect to those bonds under the indentures and the other documents that governs those bonds. For example, there are interest payments that are due on an annual basis. There are payments to the tribe and the economic development corporation that issued the bonds that are due every year. So part and parcel of the securities fraud, as we allege in the complaint, are deceiving the tribe as to the payment of those interest payments, where they are coming from, when they are going to be paid, etc., etc.

So the representations in the February 17 letter are part of an ongoing fraud and part of an effort to continue to deceive the tribe about where their money is, the location of the money that's supposed to have been invested on their behalf. And as I noted earlier, the most recent series of bonds are in default because the interest payment that was due on them on May 1st of this year was not paid because the purported annuity provider stopped providing annuity distributions until that annuity provider was indemnified. So the bonds are in default and the February 17 letter is, we submit, part of an ongoing effort to deceive the tribe about ongoing obligations that are due under those bonds, including the interest and including the annual payments to the tribe.

There was a reference to some documents that have been produced that purportedly show that Thorsdale was due some sort of payments under these bonds. Let me be clear, as we outlined this in the complaint as well. Under the indentures and the annuity contracts that were signed between the tribe and the purported annuity provider, the money was supposed to be turned over to a specific named investment manager that is named in those annuity contracts. That investment manager is referenced in the complaint as the, quote, investment manager. Thorsdale is not that investment manager, and there is no provision in any of the closing documents with respect to these bonds for Thorsdale to have any role in managing any of these bonds proceeds. It was supposed to be the, quote, investment manager. And that investment manager never got a single penny from the proceeds of these bond issuances.

So this belated explanation that there are purportedly documents that would somehow suggest that Thorsdale was entitled to manage or receive fees from these proceeds is simply contrary to all of the closing documents with respect to these bonds, and all of the documents that have been produced by neutral third parties, including, for example, the trustee U.S. bank who is responsible for administering these bonds. So we don't think that there is some magic document out there that is going to show that we somehow got the theory of our case wrong.

Finally, with respect to the text messages, I think they largely speak for themselves. I think their nature is evident on their face. I think, even if the January 10 texts are part of some drunken tirade, there are obviously references in the earlier series of text messages to having been contacted by the commission, to having made document productions. So there is some awareness, as reflected in the government fag conduct, that there may have been some connection between this particular witness and the government. To be clear, this witness is not a cooperating government witness, to be clear. Whether that perception was out there or not, it may very well, just to be clear, that individual is not a government cooperator in this matter.

With that, we would rest on the prior argument.

THE COURT: This is the Court's statement of findings on the hearing conducted pursuant to the Bail Reform Act, 18 U.S.C. 3148.

Here, the government asserts, among other things, that there is probable cause to believe that Mr. Galanis has committed a federal crime while on release and is unlikely to abide by any condition or combination of conditions of release. Those are two independent grounds under Section 3148. The first finds its basis in 3148(b)(1)(B) and the second alternative ground is rooted in 3148(b)(2)(B).

Shannon Bienick, an agent of the FBI, has sworn out a sealed complaint, now unsealed, which in 45 pages outlines a conspiracy, in which Jason Galanis is alleged to have participated, that began in or about March 2014 and continued through in or about April 2016.

Mr. Galanis and two codefendants in the case before me are alleged to have conspired to commit securities fraud, and in connection with that activity, participated in selling bonds issued by a Native American tribal entity, and found buyers and placements for them.

He is also charged, during that same time period, and with two of his codefendants in the case before me, with actual securities fraud from May 2014 to April 2016. He is charged with conspiracy to commit investment adviser fraud, and also in Count Four, actual investment adviser fraud.

The sworn complaint alleges that Jason Galanis misappropriated, in paragraph 30(a), eight and a half million of the proceeds of tribal bond issuances for his personal use. Elsewhere the figure is pegged at $8,750,000.

Defense counsel has pointed out that much of the criminal conduct took place while or prior to the time that the defendant was charged in the case before me. But that is not exclusively the case. The government has presented at the hearing today a letter authored by Jason Galanis, and sent on February 17, 2016, which was sent to Geneva Lonehill, in Pine Ridge, South Dakota, and it purports to provide information about the collateral backing of three series of revenue bonds issued by Wakpamni Lake Community Corporation. And it asserts that interest of over 2.72 million was already paid by these distributions, precisely as contemplated in the indenture and related agreements. The government has proffered that it has evidence that that statement was untrue, that it was paid by transfers from Devin Archer and proceeds of an IPO offering.

Further, the letter appears to have as its intent and purpose trying to dissuade the recipient from taking any action that would uncover or cast further attention upon the scheme. "The SEC has declared the bonds dubious, in part because they have jumped to the conclusion, based on the most superficial incomplete information, that Thorsdale has diverted money for its own benefit. This is without doubt a false assumption."

The statements made by Shannon Bienick indicate that that statement is untrue. I find the statements made in the Bienick complaint to be internally consistent, with the possible exception of one typo that was pointed out at today's hearing, and supports a finding that there is probable cause to believe that Jason Galanis committed the crimes of securities fraud and the other crimes I mentioned, in part, during the time he was on release in this case. This supports an order of detention.

Separately, I conclude that Mr. Galanis is unlikely to abide by any condition or combination of conditions of release. For that I look at the totality of circumstances. And that totality takes account of a fact which is not new in this case, but is appropriately considered at this juncture, and that is that the indicted offenses for which there will be a trial this September, at least according to the grand jury and its finding of probable cause, were committed while Mr. Galanis was on probation following a conviction of a crime before the Honorable Manuel Real of the Central District of California.

That, coupled with the evidence before me as to the most recent conduct, leads me to believe that there is no combination of conditions which protects the public from further conduct by this individual, which would represent a danger to that community. It is a danger to have someone committing the crime of conspiracy to commit securities fraud while on release.

So those are my two and separate findings. Accordingly, I remand Mr. Jason Galanis to the custody of the United States Marshal for this district, to be held pending trial on the charge before me. I leave the question of the conditions of his confinement, whether there is any need for separation or how the separation may usefully be accomplished, to the Bureau of Prisons' staff.

Fortunately, and happily, I note that there are two facilities proximate to this courthouse where Mr. Galanis can be held and that the Bureau of Prisons has great experience with accommodating needs for separation where they exist.

I would note that the action I have taken today is not materially different than the action I have taken in drug conspiracy cases, where on occasion there is reason to release someone on bail pending trial, and that individual thereafter has engaged in some form of drug trafficking during the period of release. Such individuals are remanded to the custody of the U.S. marshal, and the outcome in the case of Jason Galanis is no different.

Anything further from the government?

MR. BLAIS: Only, your Honor, if you can direct the marshals, Mr. Galanis does need to make his initial appearance in the complaint in magistrate's court. So if they could be directed to bring the defendant to courtroom 5A for his appearance down there.

THE COURT: Can that be accomplished?

MARSHAL: Yes, sir.

THE COURT: Anything further from the defendant?

MS. BACHRACH: If I may look for one minute, your Honor.

No, your Honor.

THE COURT: Thank you all very much.

(Adjourned)